

# News Release

Washington State

## Energy Facility Site Evaluation Council

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### EFSEC Announces Initial Draft Rules for Large Energy Plants

OLYMPIA – The Washington State Energy Facility Site Evaluation Council (EFSEC) has released a package of proposed rules aimed at setting standards for siting large electrical generation facilities. EFSEC Chair Jim Luce said “These draft rules respond to Governor Locke’s directive to develop clear quantifiable standards for siting energy facilities to avoid the uncertainty that can complicate the permitting process, and to expedite decision-making.” Standards included in the initial draft rules cover water and air quality, CO<sub>2</sub> mitigation, wetlands, fish and wildlife, noise, site restoration, and other revisions or updates to existing EFSEC rules. Although most of the interest has centered on the CO<sub>2</sub> mitigation rule, it is the total package of siting standards and revisions to existing rules that provides the balance in the energy facility siting process. For the most part, the standards that EFSEC is proposing already exist in rules or guidance form of other state agencies. By formally adopting these rules and guidelines, EFSEC is saying that here are the standards that need to be met and only when there are significant environmental impacts would other protections or mitigation be required.

EFSEC began discussing possible changes to rules in December 2001, and initiated a stakeholder discussion group that represented industry, business, environmental, public and private utility, labor, local and state government interests. Stakeholder discussions were completed in September 2002 and provided EFSEC with a number of alternatives for the actual siting standards. Luce noted that “during the past year the Council has worked hard on developing these initial draft rules mindful of the many stakeholders’ ideas and concerns. We think the siting standard rules and revisions that are proposed will give Washington clear and understandable siting criteria, making it easy for new developers and the public to participate in EFSEC’s siting process.

EFSEC’s goal is to adopt rules that help to achieve the legislature’s statutory policy objective of assuring abundant power at reasonable cost while protecting the public interest and the environment. Concerning the CO<sub>2</sub> Mitigation Rule, the Council has included CO<sub>2</sub> mitigation requirements in all recent siting approvals. Putting the CO<sub>2</sub> requirement in rule creates certainty and eliminates the need for debate over what level of possible mitigation to require. Luce said “we believe this rule would make Washington a national leader among States in requiring CO<sub>2</sub> mitigation from new power plants.” The initial draft CO<sub>2</sub> mitigation rule would require new fossil fuel-fired (usually natural gas or coal) generation plants to mitigate 20% of the calculated CO<sub>2</sub> that would be emitted during 30 years of operation at a rate of \$0.87 per metric ton. A typical 650 megawatt natural gas-fired energy facility would emit nearly 12 million metric tons of CO<sub>2</sub> over 30 years. Currently Oregon is the only other state that has a CO<sub>2</sub> mitigation requirement for energy facilities. Oregon currently requires new power projects to mitigate 17% of the CO<sub>2</sub> and at \$0.85 per ton.

The estimated average cost for a family using 12,000 kWh per year to mitigate for CO<sub>2</sub> would be in the range of \$0.81 per year. A business utilizing in the range of approximately 1 megawatt and paying about \$350,000 for electricity per year might be expected to pay an additional \$570.00 per year. These estimates will be validated by EFSEC in the course of economic analysis it will conduct on its proposed rule, and in the process of receiving public comment on its draft proposal.

The CO<sub>2</sub> mitigation rule would require that a new project owner make a one-time up front payment or to make payments over a 5 year period to a for a qualified organization similar to the WSU Energy Program's Climate and Rural Energy Development Center or the Climate Trust that are devoted to investing in or securing CO<sub>2</sub> mitigation projects. As an alternative a project owner could directly invest in or conduct the CO<sub>2</sub> mitigation projects themselves.

In late October EFSEC will hold a public meeting in Seattle and Spokane to hear public comments on the initial rules. These meetings will give EFSEC an opportunity to hear what the public thinks of the initial rules and the ability to consider the comments and either formally issue a notice to adopt the proposed rules, or to continue with more discussions.

EFSEC is the State's "one-stop" permitting agency for the siting of large energy plants. Its rules govern the power plant approval process for facilities 350 megawatts or larger and its siting recommendations, if approved by the Governor, bind all State and local agencies. A 350 megawatt plant is large enough to meet approximately twenty-five percent of Seattle's annual power needs.

EFSEC is an independent state board with a chair appointed by the Governor, and members appointed by five state agencies. Information regarding EFSEC, rules and standards development, and projects under review can be found on its Web site at [www.efsec.wa.gov](http://www.efsec.wa.gov). Copies of specific rules being considered for adoption are also available for review at the EFSEC office in Olympia.